DEPARTMENT OF ENVIRONMENT

FISH AND WILDLIFE DEVELOPMENT FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2006

Provincial Auditor Saskatchewan

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2007-00156

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Fish and Wildlife Development Fund as at March 31, 2006 and the statements of operations, changes in net assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2006 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Provincial Auditor

Regina, Saskatchewan
June 16, 2006

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2006	2005
ASSETS		
Current assets		
Due from General Revenue Fund (Note 3)	$ 3,204,079	$ 3,488,919
Accounts receivable (Note 4)	238,506	281,565
	3,442,585	3,770,484
Capital assets (Note 5)	17,324,290	17,172,072
	$ 20,766,875	$ 20,942,556
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 354,923	$ 557,818
Net assets (Statement 3)		
Net assets invested in capital assets	17,324,290	17,172,072
Internally restricted net assets (Note 6)	2,000,000	2,000,000
Unrestricted net assets	1,087,662	1,212,666
	20,411,952	20,384,738
	$ 20,766,875	$ 20,942,556
Commitments (Note 7)		

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF OPERATIONS
For the Year Ended March 31

	2006		2005
	Budget	Actual	Actual
Revenues:			
Transfers from General Revenue Fund (Note 4):			
Sale of licenses	$ 3,280,000	$ 3,604,990	$ 3,446,633
Recovery of past expenses	340,000	340,000	340,000
Field permits and leases	125,000	133,500	126,655
Interest (Note 3)	55,000	104,433	83,551
Other revenue	120,000	89,277	67,484
	3,920,000	4,272,200	4,064,323
Expenses:			
Fish enhancement projects (Schedule 1)	1,500,000	1,478,253	1,469,756
Wildlife habitat projects (Schedule 1)	2,015,000	2,457,427	2,121,806
Grants-in-lieu of taxes (Note 6)	300,000	309,306	293,215
	3,815,000	4,244,986	3,884,777
Excess of revenues over expenses (Statement 3)	$ 105,000	$ 27,214	$ 179,546

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31

	2006				2005
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total	Total
Balance, beginning of year	$ 17,172,072	$ 2,000,000	$ 1,212,666	$ 20,384,738	$ 20,205,192
Excess of revenues over expenses (Statement 2)	(20,786)	—	48,000	27,214	179,546
Net investment in capital assets	173,004	—	(173,004)	—	—
Balance, end of year (Statement 1)	$ 17,324,290	$ 2,000,000	$ 1,087,662	$ 20,411,952	$ 20,384,738

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CASH FLOWS
For the Year ended March 31

	2006	2005
Cash flows from (used in) operating activities:		
Receipts from General Revenue Fund	$ 4,045,281	$ 3,898,194
Receipts from sale of field permits, leases, and other	205,933	201,629
Interest received	89,083	83,509
Grant payments	(2,301,143)	(1,752,715)
Payments to municipalities	(309,306)	(293,215)
Payments to suppliers and employees	(1,816,645)	(1,686,893)
	(86,797)	450,509
Cash flows from (used in) investing activities:		
Proceeds from disposal of capital assets	32,779	6,997
Purchase of capital assets	(230,822)	(157,312)
	(198,043)	(150,315)
Net (decrease)/increase in cash	(284,840)	300,194
Due from General Revenue Fund, beginning of year	3,488,919	3,188,725
Due from General Revenue Fund, end of year	$ 3,204,079	$ 3,488,919

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2006

1. Purpose of the Fund

The Fish and Wildlife Development Fund (Fund) operates under the authority of Section 20 of *The Natural Resources Act*. The Fund was established for the purposes of preventing the reduction of wildlife habitat and wildlife population in the agricultural area of the province and for fish enhancement projects intended to prevent the loss of fish or fish habitat. The Department of Environment administers the Fund.

2. Significant Accounting Policies

The financial statements are prepared using Canadian generally accepted accounting principles for not-for-profit organizations. The following accounting policies are considered significant:

a) Revenue

The Fund follows the deferral method of accounting for contributions. Any restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The transfer from the General Revenue Fund is recognized when certain hunting and fishing licences are issued.

Field permit and lease revenue is recognized when the permit is issued or the lease payment is due.

b) Grants

Grant expenses are recognized when approved and the recipient has met eligibility criteria.

Grant revenues are recognized when received from the General Revenue Fund.

c) Capital Assets

Purchased capital assets are recorded at cost. Amortization commences in the year of acquisition and is provided on a straight-line basis over the asset's estimated useful life. Annual rates for equipment are from 5% to 33%.

Donated land is recorded at fair value at the date of contribution as a direct increase in net assets.

The Fund made agreements with other conservation agencies for the joint acquisition of land for wildlife related purposes. The Fund records its cost of jointly owned land at the date title is transferred to both parties.

3. Due From General Revenue Fund

The Fund's money is on deposit with the General Revenue Fund (GRF) and in a bank account included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. The Fund's earned interest is calculated and paid by the GRF on a quarterly basis to

the Fund using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate for 2006 is 2.82% (2005 – 2.19%).

4. Revenue - General Revenue Fund

The annual transfer from the General Revenue Fund has been set by Order in Council 526/95 as an amount equivalent to 30% of certain hunting and fishing licence fees collected by the Department of Environment. A receivable is recorded for the portion of the licences issued before the year-end for which fees have not yet been received. Included in the accounts receivable at March 31, 2006 is $171,465 (2005 - $265,848) receivable from the General Revenue Fund.

Under a three year plan established in 2003, the Fund receives a grant of $340,000 from the General Revenue Fund to offset additional salary costs.

5. Capital Assets

	2006			2005
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 14,485,271	$ ---	$ 14,485,271	$ 14,535,888
Land – joint ownership	2,783,002	---	2,783,002	2,570,472
Equipment	560,898	504,881	56,017	65,712
	$ 17,829,171	$ 504,881	$ 17,324,290	$ 17,172,072

6. Internally Restricted Net Assets - Municipal Habitat Conservation

Internally restricted net assets were established to compensate rural municipalities for taxes foregone on lands acquired by the Fund for wildlife habitat conservation purposes. The interest earned on this amount is reported in the unrestricted fund and is used to assist in paying rural municipalities grants in lieu of taxes on the Fund's lands located within their boundaries.

7. Commitments

The Fund is committed to carry out certain wildlife habitat and fish enhancement projects totalling $139,532 in 2007 and $139,749 in 2008.

8. Financial Instruments

The Fund's financial instruments include accounts receivable, accounts payable and due from General Revenue Fund. The fair value of these instruments approximates their carrying value due to the immediate or short-term maturity of these financial instruments.

The Fund is exposed to credit risk from the potential default of customers. However, the majority of the Fund's receivables are from other government agencies and reputable long-term corporate clients. Therefore, the credit risk is minimal.

9. Budget

The Budget for the Fund is included with the Department of Environment's budget submission to Treasury Board. Treasury Board approves the Fund's budget annually.

10. Related Party Transactions

These financial statements include transactions with related parties. The Fund is related to all Saskatchewan Crown agencies such as departments, corporations, boards, and commissions under the common control of the Government of Saskatchewan. Also, the Fund is related to non-Crown enterprises that the Government jointly owns or significantly influences.

Routine operating transactions with related parties are recorded at agreed upon rates and are settled on normal trade terms. These transactions are as follows:

	2006	2005
Expenses:		
Contractual services	$ 2,871	$ 15,696
Supplies and materials	798	2,837
Grants	977,920	1,019,108
Central Vehicle Agency rentals	69,033	81,476
Utilities	71,791	78,290
Telephone	8,420	6,984
Travel expenses	---	303

Included in accounts payable is $59,643 (2005 - $494,815) owing to related parties.

The Fund pays provincial sales tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

In accordance with established government policy, the Fund has not been charged with certain costs including occupancy, financing, and certain administrative costs. These costs have been absorbed by various departmental appropriations and, therefore, no provision for such costs is reflected in these financial statements.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes.

11. Conservation Easements

The Fund made agreements with other conservation agencies for the purpose of securing wildlife habitat through the purchase of conservation easements. Under these agreements, the Fund contributes a portion of the costs to acquire these easements upon the registration of the easement with the relevant land titles office. The conservation agencies made separate agreements with landowners for the purchase of these easements.

The Fund is not party to the agreements with the landowners for these conservation easements. Accordingly, the Fund has not recorded these costs as capital assets. The Fund's share of these costs for the year amounting to $909,969 (2005 – $631,757) have been expensed in the Statement of Operations.

12. Comparative amounts

Certain comparative numbers have been reclassified to conform to the current year's financial statement presentation.

Schedule 1

FISH AND WILDLIFE DEVELOPMENT FUND
SCHEDULE OF EXPENSES
For the Year Ended March 31

	2006				2005
	Budget	Fish Enhancement Projects	Wildlife Habitat Projects	Total	Total
Salaries	$ 900,000	$ 598,162	$ 341,714	$ 939,876	$ 994,459
Contractual services	385,000	90,387	251,263	341,650	247,247
Supplies and materials	190,000	71,673	43,358	115,031	108,986
Grants (Note 11)	1,730,000	542,520	1,758,623	2,301,143	1,987,823
Central Vehicle Agency rentals	100,000	52,408	16,626	69,034	81,476
Travel expenses	60,000	22,441	38,236	60,677	53,682
Utilities	80,000	71,142	696	71,838	78,289
Amortization	20,000	19,873	913	20,786	19,035
Telephone	30,000	6,647	2,734	9,381	7,932
Communications	20,000	3,000	29	3,029	1,000
Bad debt expense	—	—	3,235	3,235	11,633
	$ 3,515,000	$ 1,478,253	$ 2,457,427	$ 3,935,680	$ 3,591,562

DEPARTMENT OF ENVIRONMENT

LIST OF PERSONS WHO RECEIVED MONEY FROM THE FISH AND WILDLIFE DEVELOPMENT FUND

For the Year Ended March 31, 2006

2005-06 FISH AND WILDLIFE DEVELOPMENT FUND

Personal Services (Salaries & expenses):		
Arneson, David John	$	58,660
Banks, Gerald		69,447
Beveridge, Edward D.		62,673
Dunn, Christopher L.		78,591
Hlasny, Ron E.		68,896
Joerissen, Rochelle M.		57,534
Koob, Murray Michael		50,431
Olson, Conrad H.		63,361
Scalise, Karyn		53,417
Scott, Kenneth A.		62,464
Payments under $50,000		337,193
		962,667
Supplier Payments:		
BMO Purchase Cards		67,391
Saskatchewan Property Management Corporation		69,224
SaskPower Corporation		55,820
Payments under $50,000		458,649
		651,084
Grants:		
Balfour Moss		782,498
Grayson & Co.		71,510
Nature Saskatchewan		59,029
Saskatchewan Association for Firearm Education		155,500
Saskatchewan Association of Rural Municipalities		290,290
Saskatchewan Watershed Authority		966,220
Saskatchewan Wildlife Federation		128,138
Grants under $50,000		157,264
		2,610,449
TOTAL	$	4,224,200

2005-06 FISH AND WILDLIFE DEVELOPMENT FUND

Personal Services (Salaries & expenses):		
Arneson, David John	$	58,660
Banks, Gerald		69,447
Beveridge, Edward D.		62,673
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